

FOR RELEASE  
December 23, 2008

#### Loss Mitigation Web Portal – New Path to Mortgage Loss Mitigation

NEWPORT, KY (Dec.23) Default Mitigation Management LLC (DMM), in conjunction with the “Mortgage Issues Liaison Committee” of the National Association of Chapter Thirteen Trustees (NACTT) with the support of the Bankruptcy Judges in the pilot areas and others, has developed a loss mitigation web portal for debtors’ counsel/attorneys to submit loss mitigation and modification proposals on behalf of their clients (whether in bankruptcy or not) directly to the loan servicers.

A pilot program was begun on 10/10/2008 in the Middle and Western Districts of Tennessee and on 10/18/2008 in the Central District of California. Based on the results of the pilot, the system will be going national on January 1, 2009.

As a cooperative effort by the actual working groups involved in the resolution of defaulted mortgage loans, both the debtor’s counsel/attorneys and the loan servicers have refined the process and committed to an electronic interface for sharing information to provide timely and interactive analysis of borrower situations.

The loss mitigation portal provides loan servicers with a borrower’s financial information on the loan servicer’s forms and authorizes communication, especially if the account is in Bankruptcy. The information allows the loan servicer to review the loan for potential loss mitigation options and to communicate directly with the debtor’s counsel or borrower (as indicated on the submission). The electronic exchange of information via the portal increases the efficiency and decreases the wait times with which loan servicers can complete their analysis. Participating servicers agree to respond to loss mitigation proposals within 7 days of a completed request.

According to DMM President and CEO Joseph Smith, “In many cases, the electronic contact we provide facilitates the first active communication between the distressed borrower (or their representative) and the loan servicer.”

Over 35 loan servicers and over 200 Debtors’ counsel have been involved in the pilot program to date. Original participants New South Federal, and Resurgent Mortgage, and an unnamed special servicer, have now been joined by Countrywide and Bank of America, Wells Fargo and their related companies, GMAC ResCap, Citi and its affiliates, Nationstar Mortgage, three other unnamed loan servicers and DMM’s direct clients. The other loan servicers involved in the pilot are finishing their evaluations and will be making decisions on their future involvement.

According to Smith: “It has been incredible to be involved in a program that began the first of August of this year and through the cooperation of these normally opposed points of view watch a tool be developed, tested and complete a pilot program in 5 short months. This was not a government sponsored solution, these parties through their own initiative worked together to create this solution and make it work and address 80 to 90% of the mortgage market. The portal and direct communications through the attorneys and the loan servicers also addresses another issue facing our society and that is “borrower relief scams”, by having licensed and insured parties represent the borrowers instead of scam artists. There is no cost to the debtors’ counsels for using the system.”

If you are interested in more information on the BK Loss Mitigation Web Portal, contact Joe Smith at 800-481-1013 or [joe.smith@defaultmitigation.com](mailto:joe.smith@defaultmitigation.com) and the web portal can be found at [www.dclmwp.com](http://www.dclmwp.com). DMM is a special loss mitigation provider for loan servicing companies along with its default law firm partners and is a founding member of C.A.R.E.S. Corporation (The Committee for Actual Real Estate Solutions).